

# MEETING NOTICE

LANCASTER COUNTY CORRECTIONAL FACILITY JOINT PUBLIC AGENCY

TUESDAY, JANUARY 25, 2011

COUNTY-CITY BUILDING, ROOM 112

555 SOUTH 10<sup>th</sup> Street

9:00 A.M.

## AGENDA

*Location Announcement of Nebraska Open Meetings Act: A copy of the Nebraska Open Meetings Act is located on the wall at the rear of the Hearing Room.*

1. **APPROVAL OF MINUTES** – December 21, 2010
2. **ELECTION OF SECRETARY/TREASURER**
3. **APPROVAL OF CLAIMS** – processed through January 18, 2011
4. **AUDIT** – Receive and place on file the June 30, 2010 Audit with the County Clerk.
5. **DEC DISCUSSION** – Krishna Amancherla, District Energy Corporation
6. **SETTING OF NEXT MEETING** – February 22, 2011
7. **ADJOURNMENT**

**MINUTES**  
**LANCASTER COUNTY CORRECTIONAL FACILITY JOINT PUBLIC AGENCY (JPA)**  
**COUNTY-CITY BUILDING, ROOM 112**  
**TUESDAY, DECEMBER 21, 2010**  
**9:15 A.M.**

Present: Bernie Heier, Chair; John Spatz, Vice Chair; and Chris Beutler

Absent: Ray Stevens

Others Present: Dennis Meyer, County Budget & Fiscal Officer; Mike Thurber, Corrections Director; Trish Owen, Deputy Chief of Staff, Mayor's Office; Cori Beattie, Deputy County Clerk; and Ann Taylor, County Clerk's Office

The Chair called the meeting to order at 9:15 a.m.

The location announcement of the Nebraska Open Meetings Act was given.

**AGENDA ITEM**

**1 APPROVAL OF MINUTES OF NOVEMBER 30, 2010 MEETING**

**MOTION:** Spatz moved and Beutler seconded approval of the minutes of the November 30, 2010 meeting. Beutler, Spatz and Heier voted aye. Motion carried 3-0.

**2 APPROVAL OF CLAIMS PROCESSED THROUGH DECEMBER 14, 2010**

Dennis Meyer, County Budget and Fiscal Officer, gave an overview of the claims, which total \$2,210,022.19. The claims reflect payments to Sampson Construction Company, the contractor, and The Clark Enersen Partners, the architect.

**MOTION:** Spatz moved and Beutler seconded approval of the claims. Spatz, Beutler and Heier voted aye. Motion carried 3-0.

**3 PROPERTY TAX FUNDS**

Meyer said there is \$589,211 remaining in the fund balance as of December 14, 2010. He said a principal and interest payment in the amount of \$3,647,340 was made on December 1<sup>st</sup> and said the next interest payment, which is estimated to be between \$1,200,000 and \$1,300,000, will be due June 1, 2011. Meyer said the County will

collect the first half of property taxes in April and May which will cover that payment. He added that the County will continue to levy enough each year to make the principal and interest payments.

**4 DISTRICT ENERGY CORPORATION (DEC) DISCUSSION** - Krishna Amancheria, District Energy Corporation (DEC)

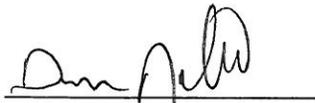
The item was dropped from the agenda.

**5 SETTING OF NEXT MEETING**

The next meeting was tentatively scheduled for 9:00 a.m. on Tuesday, January 25, 2011. The meeting will be held in Room 112 of the County-City Building.

**6 ADJOURNMENT**

**MOTION:** Spatz moved and Beutler seconded to adjourn the meeting at 9:25 a.m. Spatz, Beutler and Heier voted aye. Motion carried 3-0.



Dan Nolte  
Lancaster County Clerk



Lancaster County Correctional Facility Joint Public Agency  
List of Claims through January 18, 2011

<u>Item Number</u>	<u>Payee</u>	<u>Invoice</u>	<u>Amount</u>	<u>Description</u>
<b>Bond Proceeds -</b>				
1	Wells Fargo	412-1853584 1110	276.30	Bank Fees - November 2010
2	Wells Fargo	412-1853584 1210	102.72	Bank Fees - December 2010
3	Sampson Constuction Co., Inc.	18	2,029,863.00	December 2010 Services - see attached invoice
4	The Clark Enersen Partners	C-08-0055 #35	<u>14,998.89</u>	Bidding and Construction Admin - 68% complete
	TOTAL		<u><u>2,045,240.91</u></u>	

CLIENT ANALYSIS STATEMENT

ACCOUNT SUMMARY

November 2010  
Page 5 of 21

WELLS FARGO BANK, N.A.  
PO BOX 63020  
SAN FRANCISCO, CA 94163

Officer: Balters, Monica L  
Phone No.: 402-434-4241

LANCASTER COUNTY TREASURER  
JPA CONSTRUCTION  
555 S 10TH ST  
LINCOLN NE 68508-2803

Average Positive Collected Balance	..... \$	1,861,629.41
Investable Balance Available for Services	..... =	1,861,629.41
Current Month Analyzed Charges	..... -	0.00
Current Month Fee Based Charges	..... \$	276.30 *

\*Charges not offset by balances

BALANCE SUMMARY

Account Number	Account Name	Average Ledger	Average Collected	Average Daily Negative Coll	Negative Coll Use of Fund Rate	Service Charge
412-1853584	Lancaster County Treasurer	1,861,629	1,861,629			276.30

Number of days this cycle: 30

SERVICE DETAIL

Svc Code	APP Code	Service Description	Unit Price	Volume	Service Charges
FDIBM	00 0230	Dep Insurance Assessment Mthly IB Balance & Compensation Information	0.12783	1,861.63	237.97 *
22051	01 0000	Account Maintenance-Chexstor General Account Services	15.00000	1.00	15.00 *
22202	15 0100	DDA Checks Paid Paper Disbursement Services	0.14095	1.00	0.14 *
CK018	25 0201	Electronic Credits Posted General ACH Services	0.45000	2.00	0.90 *
ES030	35 0300	Wire IN Domestic	8.14286	2.00	16.29 *
ES139	35 0104	Wire-Outgoing Domestic-CEO Wire & Other Funds Transfer Service	6.00000	1.00	6.00 *
					22.29 *

CLIENT ANALYSIS STATEMENT

ACCOUNT SUMMARY

November 2010  
Page 6 of 21

LANCASTER COUNTY TREASURER

Total Analyzed Charges	0.00
* Total Fee Based Charges	276.30
Total Service Charges	276.30

# Client Analysis Invoice

14-00182

LANCASTER COUNTY CORRECTIONAL FACILITY  
555 S 10TH ST  
LINCOLN NE 68508-2803

DATE: JANUARY 10, 2011  
OFFICER: 99665  
COST CENTER: 0055356  
ANALYSIS PERIOD: DECEMBER 2010  
KEY ACCOUNT NUMBER: 4121853584

PLEASE REMIT PAYMENT WITHIN 30 DAYS OF THE 'INVOICE DATE' BELOW.  
IF INVOICED CHARGES ARE NOT PAID WITHIN 90 DAYS, YOUR ACCOUNT WILL BE DEBITED  
FOR THE INVOICED AMOUNT.

INVOICE NUMBER	INVOICE DATE	PAYMENT	PAYMENT DATE	OUTSTANDING BALANCE
10120097712	01-10-11			102.72

TOTAL PAYMENTS RECEIVED: .00  
TOTAL AMOUNT DUE: 102.72 USD

PAST DUE AGING:  
0 - 30 DAYS 102.72                      31 - 60 DAYS .00                      61 - DAYS AND OVER .00

RETURN THIS PORTION WITH YOUR REMITTANCE

LANCASTER COUNTY CORRECTIONAL FACILITY  
555 S 10TH ST  
LINCOLN NE 68508-2803

TOTAL AMOUNT DUE 102.72

AMOUNT ENCLOSED: \_\_\_\_\_

APPLY TO THE FOLLOWING INVOICES:

ACCOUNT NUMBER: 4121853584

INVOICE NBR	INVOICE AMT	PAYMENT AMT
10120097712	102.72	_____ USD

MAIL PAYMENT TO:

WELLS FARGO BANKS  
ACCOUNT ANALYSIS  
NW 7091 PO BOX 1450  
MINNEAPOLIS, MN 55485

0182

# CLIENT ANALYSIS STATEMENT

182 1147 2656 99665



## RELATIONSHIP SUMMARY

WELLS FARGO BANK, N.A.  
 PO BOX 63020  
 SAN FRANCISCO, CA 94163

December 2010  
 Page 1 of 2

Officer: Balters, Monica L  
 Phone No.: 402-434-4241

**THE FDIC WILL FULLY INSURE ALL FUNDS IN  
 NONINTEREST TRANSACTION ACCOUNTS FROM  
 12/31/10 THRU 12/31/12. INTEREST BEARING  
 ACCTS ARE INSURED FOR AT LEAST \$250,000.**

LANCASTER COUNTY CORRECTIONAL FACILITY  
 555 S 10TH ST  
 LINCOLN NE 68508-2803

### ANALYSIS SUMMARY

Average Positive Collected Balance .....	\$	545,899.33
Investable Balance Available for Services .....	=	545,899.33
Current Month Analyzed Charges .....	-	102.72
Current Month Position .....	=	( 102.72 )
Net Shortfall Due .....	\$	102.72
<b>Total Amount Due .....</b>	<b>\$</b>	<b>102.72</b>

Number of days this cycle: 31

**TOTAL AMT DUE WILL BE INVOICED ON JAN 10, 2011.**

### BALANCE SUMMARY

Account Number	Account Name	Average Ledger	Average Collected	Average Daily Negative Coll	Negative Coll Use of Fund Rate	Service Charge
* 412-1853584	Lancaster County Treasurer	545,899	545,899			102.72

\*Indicates billing account

### SERVICE DETAIL

Svc Code	AFP Code	Service Description	Unit Price	Volume	Service Charges
FDIBM	00 0230	Dep Insurance Assessment Mthly IB <b>Balance &amp; Compensation Information</b>	0.12783	545.90	69.78 <b>69.78</b>
22051	01 0000	Account Maintenance-Chexstor	15.00000	1.00	15.00
CK021	01 0100	Debits Posted <b>General Account Services</b>	0.05000	1.00	0.05 <b>15.05</b>
22202	15 0100	DDA Checks Paid	0.14095	5.00	0.70

# CLIENT ANALYSIS STATEMENT

182 1147 2656 99665



## RELATIONSHIP SUMMARY

LANCASTER COUNTY CORRECTIONAL FACILITY

December 2010  
Page 2 of 2

### SERVICE DETAIL

Svc Code	AFP Code	Service Description	Unit Price	Volume	Service Charges
<b>Paper Disbursement Services</b>					<b>0.70</b>
CK018	25 0201	Electronic Credits Posted	0.45000	2.00	0.90
<b>General ACH Services</b>					<b>0.90</b>
ES030	35 0300	Wire IN Domestic	8.14286	2.00	16.29
<b>Wire &amp; Other Funds Transfer Service</b>					<b>16.29</b>
<b>Total Analyzed Charges</b>					<b>102.72</b>
<b>* Total Fee Based Charges</b>					<b>0.00</b>
<b>Total Service Charges</b>					<b>102.72</b>

### TREND ANALYSIS

Month	Average Ledger Balance	Average Positive Collected Balance	Investable Balance Available for Services	Earnings Credit Rate	Earnings Allowance	Fee Based Charges	Analyzed Charges	Monthly Position
DEC 2010	545,899	545,899	545,899	0.00%	N/A	0	103	( 103)
AVG	545,899	545,899	545,899					

Note: Customer must examine this statement and report to Bank any claim for credit or refund within 60 days after Bank makes the statement available. If Bank does not receive notice of error or discrepancy within this time frame, items on the statement will be deemed to be correct.

# APPLICATION AND CERTIFICATION FOR PAYMENT

AIA DOCUMENT G702

PAGE ONE OF

PAGES

TO OWNER: The County of Lancaster, NE  
555 South 10th Street  
Lincoln, NE 68508

PROJECT: Lancaster County Detention Facility  
West O Street & Southwest 40th Street

APPLICATION NO 18

Distribution to:

OWNER  
 CONTRACTOR

PERIOD TO: 12/31/2010

FROM CONTRACTOR:  
Sampson Construction Co., Inc.  
3730 So. 14th St.  
Lincoln, NE 68502

VIA: Angie Koziol, Business Manager  
Lancaster County Dept. of Corrections  
605 South 10th Street  
Lincoln, NE 68508

PROJECT NOS: 08041

CONTRACT FOR: General

CONTRACT DATE 5/13/2008

## CONTRACTOR'S APPLICATION FOR PAYMENT

Application is made for payment, as shown below, in connection with the Contract.  
Continuation Sheet, AIA Document G703, is attached.

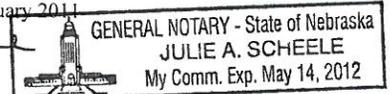
The undersigned Contractor certifies that to the best of the Contractor's knowledge, information and belief the Work covered by this Application for Payment has been completed in accordance with the Contract Documents, that all amounts have been paid by the Contractor for Work for which previous Certificates for Payment were issued and payments received from the Owner, and that current payment shown herein is now due.

1. ORIGINAL CONTRACT SUM	\$	59,900,000.00
2. Net change by Change Orders	\$	(642,910.00)
3. CONTRACT SUM TO DATE (Line 1 ± 2)	\$	60,542,910.00
4. TOTAL COMPLETED & STORED TO DATE (Column G on G703)	\$	24,129,298.00
5. RETAINAGE:		
a. 10 % of Completed Work (Column D + E on G703)		2,394,940.00
b. % of Stored Material (Column F on G703)	\$	
Total Retainage (Lines 5a + 5b or Total in Column I of G703)	\$	2,394,940.00
6. TOTAL EARNED LESS RETAINAGE (Line 4 Less Line 5 Total)	\$	21,734,358.00
7. LESS PREVIOUS CERTIFICATES FOR PAYMENT (Line 6 from prior Certificate)	\$	19,704,495.00
8. CURRENT PAYMENT DUE	\$	2,029,863.00 ✓
9. BALANCE TO FINISH, INCLUDING RETAINAGE (Line 3 less Line 6)	\$	38,808,552.00

CONTRACTOR: Sampson Construction Co., Inc.

By: [Signature] Date: 1-6-11

State of: Nebraska County of: Lancaster  
Subscribed and sworn to before me this 6th day of January 2011  
Notary Public: [Signature]  
My Commission expires: 5-14-2012



## OWNER APPROVAL

APPROVED AMOUNT ..... \$ 2,029,863.00

OWNER: Lancaster County Corrections

By: [Signature] Date: 1-18-11

This Certificate is not negotiable. The APPROVED AMOUNT is payable only to the Contractor named herein. Issuance, payment and acceptance of payment are without prejudice to any rights of the Owner or Contractor under this Contract.

CHANGE ORDER SUMMARY	ADDITIONS	DEDUCTIONS
Total changes approved in previous months by Owner		
Total approved this Month #1	\$642,910.00	
TOTALS	\$642,910.00	\$0.00
NET CHANGES by Change Order	\$642,910.00	

# CONTINUATION SHEET

AIA DOCUMENT G703

PAGE OF PAGES

AIA Document G702, APPLICATION AND CERTIFICATION FOR PAYMENT, containing Contractor's signed certification is attached.

APPLICATION NO: 18  
 APPLICATION DATE: 1/6/2011  
 PERIOD TO: 12/31/2010  
 ARCHITECT'S PROJECT NO: 08041

In tabulations below, amounts are stated to the nearest dollar.

Use Column I on Contracts where variable retainage for line items may apply.

## LANCASTER COUNTY DETENTION FACILITY

A ITEM NO.	B DESCRIPTION OF WORK	C SCHEDULED VALUE THRU CHANGE ORDER #1	D WORK COMPLETED		F MATERIALS PRESENTLY STORED (NOT IN D OR E)	G		H BALANCE TO FINISH (C - G)	I RETAINAGE (IF VARIABLE RATE)
			FROM PREVIOUS APPLICATION (D + E)	THIS PERIOD		TOTAL COMPLETED AND STORED TO DATE (D+E+F)	% (G ÷ C)		
1	3A-Augered CIP Piles (Longfellow Foundations)	462,382	461,903			461,903	100%	479	46,190
2	3B-Found./Poured Walls/CIP Retain Walls (Stephens & Smith)	1,431,965	1,307,952	57,000		1,364,952	95%	67,013	136,495
3	Temporary Heat for Construction	100,000	4,320			4,320	4%	95,680	432
4	3B-Interior Slabs (Sampson Construction)	1,053,444	359,049	48,378		407,427	39%	646,017	40,743
5	3C-Precast Struct. Conc/Steel Erection (Concrete Industries)	7,319,808	3,161,565	650,210		3,811,775	52%	3,508,033	381,178
6	Electrical Devices in Precast Panels	124,500						124,500	0
7	4A-Masonry (Midwest Masonry)	2,929,906	627,340	235,000		862,340	29%	2,067,566	86,234
8	Wall Height Coordination (Schedule vs. Detail)	0							0
9	5A-Steel Materials (Steel Fabricators)	410,625	258,300			258,300	63%	152,325	25,830
10	6A-Rough Carpentry (Mark Sass)	116,134	22,000	4,000		26,000	22%	90,134	2,600
11	6B-Finish Carpentry (Sampson Construction)	892,867	3,100			3,100	0%	889,767	310
12	Allowance for Addl. Projection Screens/Tackboards	10,110						10,110	0
13	7A-Joint Sealants (McGill Brothers)	370,035	37,004			37,004	10%	333,031	3,700
14	Security Joint Sealant Coordination	100,000						100,000	0
15	7B-Waterproofing and Subdrainage	148,492	93,644	37,000		130,644	88%	17,848	13,064
16	7C-Fireproofing and Firestopping	78,000						78,000	0
17	7D-Metal Wall Panels/Sheet Metal Flashings & Trim (SGH)	337,211	21,190			21,190	6%	316,021	2,119
18	7E-Roofing/Sheet Metal Flashings & Trim (Sprague Roofing)	1,316,187	215,564	142,230		357,794	27%	958,393	35,779
19	7F-Spray on Foam Insulation (Liquid Foam Insulation)	8,841						8,841	0
20	8A-Doors and Hardware (DH Pace Company)	557,578	116,807	10,478		127,285	23%	430,293	12,729
21	8B-Overhead Doors & Loading Dock Equip. (Raynor Doors)	196,934						196,934	0
22	8C-Aluminum and Glass (City Glass)	887,212	77,200			77,200	9%	810,012	7,720
24	8D-Skylights & Translucent Panel Roof System (SGH)	353,098	22,555	35,300		57,855	16%	295,243	5,786
25	9A-Metal Framing/Drywall/Sheath/Firestop (E & K of Omaha)	1,682,894	124,195	56,915		181,110	11%	1,501,784	18,111
26	9B-Hardcoat Exterior Finish System (Paul L. Kess)	17,194						17,194	0
27	9C-Ceilings (T-C Ceilings)	417,478	4,115			4,115	1%	413,363	412
28	9D-Tile (Great Plains Stone & Tile)	67,631		1,131	25,899	27,030	40%	40,601	2,703
29	9E-Flooring (Floors Inc.)	425,464						425,464	0
30	Allowance for Attic Stock for Finish Materials	37,500						37,500	0
31	9F-Resinous Flooring (Surface Sealers)	284,677						284,677	0
32	9G-Painting/Staining (Gene Phillips)	242,693	5,515			5,515	2%	237,178	552
33	9H-Painting/High Perf. Coatings & Epoxy (Surface Sealers)	1,086,217	19,602			19,602	2%	1,066,615	1,960

# CONTINUATION SHEET

AIA DOCUMENT G703

PAGE OF PAGES

AIA Document G702, APPLICATION AND CERTIFICATION FOR PAYMENT, containing Contractor's signed certification is attached.

APPLICATION NO: 18

APPLICATION DATE: 1/6/2011

In tabulations below, amounts are stated to the nearest dollar.

PERIOD TO: 12/31/2010

Use Column I on Contracts where variable retainage for line items may apply.

ARCHITECT'S PROJECT NO: 08041

## LANCASTER COUNTY DETENTION FACILITY

A ITEM NO.	B DESCRIPTION OF WORK	C SCHEDULED VALUE THRU CHANGE ORDER #1	D WORK COMPLETED		F MATERIALS PRESENTLY STORED (NOT IN D OR E)	G		H BALANCE TO FINISH (C - G)	I RETAINAGE (IF VARIABLE RATE)
			FROM PREVIOUS APPLICATION (D + E)	THIS PERIOD		TOTAL COMPLETED AND STORED TO DATE (D+E+F)	% (G ÷ C)		
34	Post Punchlist Finish Corrections Allowance	49,000						49,000	0
35	10A-Signage (ASI Modulex)	13,671						13,671	0
36	Monument Sign Allowance	90,000						90,000	0
37	10B-Operable Partitions (SGH)	24,213	1,400			1,400	6%	22,813	140
38	10C-Access Flooring (Porter Trustin Carlson)	16,715						16,715	0
39	Allowance for Cut Out Holes in Access Flooring	1,500						1,500	0
40	11A-Detention (Chief Custom Products)	2,244,721	328,038	36,589		364,627	16%	1,880,094	36,463
41	11B-Property Storage System (Midwest Storage Solutions)	127,225						127,225	0
42	11C-Laundry Equipment (A A Horwath)	403,065						403,065	0
43	11D-Food Service Equipment (Paramount Restaurant)	1,555,843	381,910			381,910	25%	1,173,933	38,191
44	12-Roller Window Shades (Craftsman Window Covering)	37,192						37,192	0
45	Window Shade Pockets Install	4,050						4,050	0
46	13-Prefabricated Precast Concrete Cell Module (Tindall Corp.)	4,196,771	3,958,994			3,958,994	94%	237,777	395,899
47	14-Conveying Systems (Eletech)	372,706	32,847			32,847	9%	339,859	3,285
48	21-Fire Sprinkler (Nifco)	833,945	158,500	41,500		200,000	24%	633,945	20,000
49	22-Plumbing & Hydronic Piping (Midwest Mechanical)	4,293,482	1,994,569	232,314		2,226,883	52%	2,066,599	222,688
50	23-HVAC/Controls/Balancing (Falcon)	3,682,924	1,778,034	97,000		1,875,034	51%	1,807,890	187,503
51	Allowance for Addl. Security Bars in HVAC Openings	0							0
52	16A-Electrical (Commonwealth Electric)	4,969,168	2,156,373	266,930	7,846	2,431,149	49%	2,538,019	243,115
53	28-Electronic Safety & Security (Accurate Controls)	2,480,171	322,422	6,546		328,968	13%	2,151,203	32,897
54	31A-Earthwork (Shanahan Brothers)	428,310	344,810	10,000		354,810	83%	73,500	35,481
55	Site Access Roadway	384,985	187,028	13,614		200,642	52%	184,343	20,064
56	32A-Landscaping Allowance	495,023						495,023	0
57	32B-Concrete Paving & Sidewalks (Platte Valley Precast)	1,087,590	581,700	48,445		630,145	58%	457,445	63,015
58	32C-Asphalt Paving, Curb & Gutter	55,288						55,288	0
59	32D-Chain-link Fences and Gates (American Fence)	133,569						133,569	0
61	33-Utilities (True Line Underground)	511,120	467,535	29,125		496,660	97%	14,460	49,666
62	Allowance for Meter Houses	80,000						80,000	0
63	Testing/Special Inspections (Olsson)	220,000	75,677	6,687		82,364	37%	137,636	8,236
64	GC-General Conditions	4,315,438	831,609	84,274		915,883	21%	3,399,555	91,588
65	Building Permit	162,801	147,617			147,617	91%	15,184	14,762
66	Builders Risk Insurance	104,574	104,574			104,574	100%		10,457

# CONTINUATION SHEET

AIA DOCUMENT G703

PAGE OF PAGES

AIA Document G702, APPLICATION AND CERTIFICATION FOR PAYMENT, containing Contractor's signed certification is attached.

In tabulations below, amounts are stated to the nearest dollar.

Use Column I on Contracts where variable retainage for line items may apply.

APPLICATION NO: 18

APPLICATION DATE: 1/6/2011

PERIOD TO: 12/31/2010

ARCHITECT'S PROJECT NO: 08041

## LANCASTER COUNTY DETENTION FACILITY

A ITEM NO.	B DESCRIPTION OF WORK	C SCHEDULED VALUE THRU CHANGE ORDER #1	D WORK COMPLETED		F MATERIALS PRESENTLY STORED (NOT IN D OR E)	G		H BALANCE TO FINISH (C - G)	I RETAINAGE (IF VARIABLE RATE)
			FROM PREVIOUS APPLICATION (D + E)	THIS PERIOD		TOTAL COMPLETED AND STORED TO DATE (D+E+F)	% (G ÷ C)		
67	Bond	220,941	214,575			214,575	97%	6,366	21,458
68	Fee @ 3.25%	1,865,655	682,862	70,993		753,855	40%	1,111,800	75,386
69	Preconstruction Services	179,900	179,900			179,900	100%		
70	Contingency	1,434,277						1,434,277	
<b>GRAND TOTALS</b>		<b>60,542,910</b>	<b>21,873,894</b>	<b>2,221,659</b>	<b>33,745</b>	<b>24,129,298</b>	<b>40%</b>	<b>36,413,612</b>	<b>2,394,940</b>

## Lancaster County General Conditions

12/31/2010

		Budget	Monthly Cost 12-31-2010	Cost to Date 12-31-2010
1021	Survey	\$ 82,800	\$ 2,229	\$ 10,197
1022	Submittal exchange	\$ 15,000	\$ -	\$ 13,050
1101	Printing & postage	\$ 36,000	\$ 153	\$ 1,511
1150	Supervision	\$ 870,000	\$ 15,934	\$ 221,360
1151	Project management	\$ 960,000	\$ 24,279	\$ 347,853
1152	Contract Administration	\$ 135,000	\$ 297	\$ 12,172
1156	Temp. office equipment & supplies	\$ 27,000	\$ 863	\$ 4,162
1501	Temp. Electric	\$ 105,000	\$ -	\$ 12,044
1503	Temp. Heat	\$ 218,732	\$ 2,933	\$ 4,401
1504	Temp. phones	\$ 42,000	\$ 445	\$ 9,607
1505	Temp. Water	\$ 15,000	\$ 30	\$ 4,875
1510	Security	\$ 24,000	\$ -	\$ -
1516	Temp. toilet	\$ 46,800	\$ 604	\$ 4,569
1518	Dumpsters	\$ 39,000	\$ 289	\$ 1,110
1519	Safety administration	\$ 75,000	\$ 1,239	\$ 11,059
1520	Fencing perimeter of site	\$ 25,980	\$ -	\$ -
1521	Barricades/traffic control	\$ 21,000	\$ -	\$ 3,567
1530	Other costs	\$ 19,802	\$ 216	\$ 2,716
1601	Temp. Heat equipment	\$ 35,000	\$ -	\$ -
1602	Temp. Cooling equipment	\$ 34,000	\$ -	\$ -
1603	Winter enclosures	\$ 55,000	\$ 11,142	\$ 28,471
1702	Material Handling	\$ 42,000	\$ 154	\$ 6,634
1703	site maint./pump water/snow removal	\$ 39,000	\$ -	\$ 27,000
1705	Daily Clean-up	\$ 364,554	\$ 1,398	\$ 17,994
1710	Final Clean-up	\$ 243,036	\$ -	\$ -
1800	Close out	\$ 26,880	\$ -	\$ -
1900	Equipment	\$ 297,000	\$ 19,291	\$ 136,118
1903	Temp. office	\$ 54,000	\$ 1,278	\$ 22,304
1904	Storage containers	\$ 48,000	\$ 1,500	\$ 13,109
	Total		\$ 84,274	\$ 915,883



AGENCY CUSTOMER ID: \_\_\_\_\_

LOC #: \_\_\_\_\_



### ADDITIONAL REMARKS SCHEDULE

Page 1 of 1

AGENCY Cretcher Heartland Incorporated		NAMED INSURED Great Plains Tile & Stone, Inc 8833 "J" Street, #9 Omaha NE 68127	
POLICY NUMBER		EFFECTIVE DATE:	
CARRIER	NAIC CODE		

**ADDITIONAL REMARKS**

THIS ADDITIONAL REMARKS FORM IS A SCHEDULE TO ACORD FORM,

FORM NUMBER: 25 FORM TITLE: CERTIFICATE OF LIABILITY INSURANCE

Liability. Waiver of Subrogation applies as respects General Liability and Workers Compensation as allowed by law.



# CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)  
12/17/2010

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

**IMPORTANT:** If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Artex Risk Solutions, Inc. Two Pierce Place Itasca, IL 60143-3141 Sheryl Haas	1-630-285-3641	CONTACT NAME: Maria Prost PHONE (A/C, No, Ext): E-MAIL ADDRESS: maria_prost@artextrisk.com PRODUCER CUSTOMER ID #:	FAX (A/C, No): 630-285-4199
INSURED Commonwealth Electric Co., of the Midwest 1901 Y Street, Ste. 100, Box 80638 Lincoln, NE 68501		INSURER(S) AFFORDING COVERAGE	
		INSURER A: OLD REPUBLIC INS CO	NAIC # 24147
		INSURER B: ST PAUL FIRE & MARINE INS CO	24767
		INSURER C:	
		INSURER D:	
		INSURER E:	
		INSURER F:	

**COVERAGES**

CERTIFICATE NUMBER: 18771885

REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL SUBR INSR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR	X	MWZY58678	04/01/10	04/01/11	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 100,000 MED EXP (Any one person) \$ 5,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ 2,000,000 \$
A	AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS		MWTB20942	04/01/10	04/01/11	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$ \$
B	UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DEDUCTIBLE <input checked="" type="checkbox"/> RETENTION \$ 0		QK01202359	04/01/10	04/01/11	EACH OCCURRENCE \$ 1,000,000 AGGREGATE \$ 1,000,000 \$ \$
A	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? <input type="checkbox"/> Y/N If yes, describe under DESCRIPTION OF OPERATIONS below	N/A	MWC116550	04/01/10	04/01/11	<input checked="" type="checkbox"/> WC STATUTORY LIMITS <input type="checkbox"/> OTHER E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)

RE: Stored Materials at WESCO 3100 North 33rd Street, Lincoln, NE 68504

Cable Tray - Value: \$7, 845.96

WESCO is included as an Additional Insured on the General Liability policy.

**CERTIFICATE HOLDER****CANCELLATION**WESCO  
3100 North 33rd Street  
Lincoln, NE 68504

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

USA

marproartex  
ACORD 25 (2009/09)  
18771885© 1988-2009 ACORD CORPORATION. All rights reserved.  
The ACORD name and logo are registered marks of ACORD

# SUPPLEMENT TO CERTIFICATE OF INSURANCE

DATE  
12/17/2010

NAME OF INSURED: Commonwealth Electric Co., of the Midwest

Additional Description of Operations/Remarks from Page 1:

Additional Information:

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**ADDITIONAL INSURED – OWNERS, LESSEES OR  
CONTRACTORS – SCHEDULED PERSON OR  
ORGANIZATION**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

**SCHEDULE**

Name Of Additional Insured Person(s) Or Organization(s):	Location(s) Of Covered Operations
<p>WESCO</p> <p>All Persons / Organizations required by contract</p>	
<p>Information required to complete this Schedule, if not shown above, will be shown in the Declarations.</p>	

**A. Section II – Who Is An Insured** is amended to include as an additional insured the person(s) or organization(s) shown in the Schedule, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by:

1. Your acts or omissions; or
2. The acts or omissions of those acting on your behalf;

in the performance of your ongoing operations for the additional insured(s) at the location(s) designated above.

**B.** With respect to the insurance afforded to these additional insureds, the following additional exclusions apply:

This insurance does not apply to "bodily injury" or "property damage" occurring after:

1. All work, including materials, parts or equipment furnished in connection with such work, on the project (other than service, maintenance or repairs) to be performed by or on behalf of the additional insured(s) at the location of the covered operations has been completed; or
2. That portion of "your work" out of which the injury or damage arises has been put to its intended use by any person or organization other than another contractor or subcontractor engaged in performing operations for a principal as a part of the same project.



3100 N. 33RD ST.  
LINCOLN, NE 68504

SOLD TO:  
COMMONWEALTH ELECT / LANCASTER  
JOB: LANCASTER COUNTY JAIL  
PO BOX 80038  
LINCOLN, NE 68501

ORIGINAL

CUSTOMER NUMBER	INVOICE DATE	PACKING SLIP NO.	INVOICE NUMBER
16406	11/15/2010	59606901	727038
BRANCH CODE	CUSTOMER ORDER NUMBER		PAGE
5438	22806-225164		1 of 1

REMIT TO:  
WESCO RECEIVABLES CORP.  
P O BOX 633718  
CINCINNATI, OH 45263-3718

SHIP TO:  
COMMONWEALTH ELECTRIC  
LANCASTER DETENTION  
3801 WEST "O" STREET  
LINCOLN, NE 68528

***INVOICE***		***INVOICE***			***INVOICE***	
SHIPPING DATE & ROUTING	FOB	SHIPPING TERMS	NO. OF INVOICES	B/L	INV REQ.	RETURN MATERIAL WILL NOT BE ACCEPTED WITHOUT AUTHORIZATION
11/08/2010 BEST WAY	P/S	THIRD PARTY	1	N	Y	

LINE NO.	CATALOG NUMBER AND DESCRIPTION	I.D. NUMBER	QUANTITY SHIPPED	BALANCE DUE	UNIT PRICE	U/M	SELLING PRICE		EXTENSION	
							DISCOUNT			
							TRADE	CASH		
010	CAB CF105/300EZ 4X12 CABLE TRAY	80038800082	144	0	42.770	E	0.00	.01	6158.88	
020	CBLF HB4KITPG KIT	782154	15	0	3.830	E	0.00	.01	57.45	
030	CBLF RADT90KIT-4EZ KIT	782154	12	0	19.060	E	0.00	.01	228.72	
040	CAB SWKEZ 50/CS SPLICE WASHER KIT	80038800344	9	0	32.190	E	0.00	.01	289.71	
050	CAB FASPCH300PG 12IN FAS CNTR HNDR	80038800436	240	0	4.630	E	0.00	.01	1111.20	
052	*****									
054	HOLD FOR RELEASE									
056	*****									
058	SHIPPING INSTRUCTIONS									
060	WILL BE INCLUDED AT									
062	RELEASE TIME									
064	*****									
090	*****									
092	ORDER ENTERED BY JAN									
SUB TOTAL									7,845.96	

JOB NO.                      PHASE NO.  
  
 RECEIVED  
 NOV 16 2010  
 PAY AMT  
 GECM-LINCOLN  
  
 RETENTION

TERMS YOU MAY DEDUCT IF PAID WITHIN 10 DAYS - NET 30 DAYS >	78.46	TOTAL >	7,845.96
PAST DUE ACCOUNTS SUBJECT TO CHARGE OF 1.5% OR MAXIMUM PERMITTED BY LAW			

UNLESS THERE ARE DIFFERENT OR ADDITIONAL TERMS AND CONDITIONS CONTAINED IN A MASTER AGREEMENT THAT MODIFY WESCO'S STANDARD TERMS, BUYER AGREES THAT THE ACKNOWLEDGEMENT AND ACCEPTANCE OF THIS INVOICE ORDER WILL BE GOVERNED BY WESCO'S TERMS AND CONDITIONS DATED 011107 AVAILABLE AT [HTTP://WWW.WESCO.COM/TERMS OF SALE\\_011107.PDF](http://www.wesco.com/terms_of_sale_011107.pdf) WHICH ARE INCORPORATED HEREIN BY REFERENCE AND MADE PART HEREOF. PLEASE CONTACT THE SELLER IDENTIFIED ON THIS INVOICE IF YOU REQUIRE A PRINTED COPY.

PROPERTY OF  
SANDHILL LABORATORIES

FOR  
SANDHILL COUNTY PUBLIC DEFENSE AGENCY  
400 WEST 10TH AVENUE  
DENVER CO. 80202-1111



PROPERTY OF  
KAMPALU UNIVERSITY

1998

KAMPALU COUNTY ROAD PROJECTS FACILITY  
KAMPALU DISTRICT

CONTROLLED INFORMATION SYSTEMS

PROPERTY OF  
SAMPSON CONTRACTOR

FOR  
LANCASTER COUNTY ADULT DETENTION FACILITY  
LINCOLN, PENNSYLVANIA

CONTRACTOR: COMBOWALNUTS ELECTRIC



**legrand**  
Cablofil

**legrand**  
Cablofil

PROPERTY OF  
SAMPSON CONSTRUCTION  
  
FOR  
LANCASTER COUNTY ADULT DETENTION FACILITY  
LINCOLN, NEBRASKA  
  
CONTRACTOR: COMMONWEALTH ELECTRIC

**legrand**  
Cablofil

**legrand**  
Cablofil



PROPERTY OF  
SAMPSON CONSTRUCTION

FOR  
LANCASTER COUNTY ADULT DETENTION FACILITY  
LINCOLN, NEBRASKA

CONTRACTOR: COMMONWEALTH ELECTRIC

**PROPERTY OF:  
SAMPSON CONSTRUCTION**

**FOR:  
LANCASTER COUNTY ADULT DETENTION FACILITY  
LINCOLN, NEBRASKA**

**CONTRACTOR: COMMONWEALTH ELECTRIC**





Mike Thurber  
 Lancaster County  
 Corrections Administration  
 605 South 10th Street  
 Lincoln, NE 68508

January 6, 2011  
 Project No: 675-002-08  
 Invoice No: 35

Project 675-002-08 Lancaster Cnty Adult Detention Facility

For professional services rendered for the period November 27, 2010 to December 31, 2010 for the referenced project.

**Fee Earned:**

Billing Phase	Contract Amount	Percent Complete	Previous Fee Billing	Current Fee Billing
Schematic Design	795,890.66	100.00	795,890.66	0.00
Design Development	995,302.72	100.00	995,302.72	0.00
Construction Documents	1,892,286.96	100.00	1,892,286.96	0.00
Bidding and Construction Administration	496,519.66	68.00	322,737.78	14,895.59
Amendment 001-112 Bed Addition	185,500.00	82.00	152,110.00	0.00
Amendment 002-Additional CA	45,000.00	8.00	3,600.00	0.00
Amendment 003-Additional CA Meetings	66,240.00	4.00	2,649.60	0.00
Amendment 004-"O" Street Entrance	40,675.00	0.00	0.00	0.00
<b>Total Fee</b>	<b>4,517,415.00</b>		<b>4,164,577.72</b>	<b>14,895.59</b>
		<b>Total Fee</b>		<b>14,895.59</b>

**Reimbursable Expenses**

Printing	103.30
<b>Total Reimbursable Expenses</b>	<b>103.30</b>
	<b>103.30</b>

Architecture + Landscape Architecture + Engineering + Interiors

1010 Lincoln Mall, Suite 200  
 Lincoln, NE 68508-2883 402 477.9291 Fax 402 477.6542

www.clarkenersen.com  
 Lincoln, Nebraska • Kansas City, Missouri

Project	675-002-08	Lancaster Cnty Adult Detention Facility		Invoice 35
Billing Limits		Current	Prior	To-Date
Fees		14,895.59	4,164,577.72	4,179,473.31
Limit				4,476,740.00
Remaining				297,266.69
Expenses		103.30	108,987.73	109,091.03
Limit				329,523.00
Remaining				220,431.97
			<b>Total this Invoice</b>	<b>\$14,998.89</b>

*Melanie D. Stover*  
 Melanie D. Stover  
 Business Manager

*Michael Theisen*      01-18-11

GDN



**LANCASTER COUNTY CORRECTIONAL FACILITY  
JOINT PUBLIC AGENCY**

**FINANCIAL STATEMENTS  
WITH  
SUPPLEMENTARY INFORMATION  
AND  
ACCOMPANYING INDEPENDENT AUDITORS' REPORTS**

**YEAR ENDED JUNE 30, 2010**

**BLAND & ASSOCIATES, P.C.  
Certified Public Accountants**

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## INDEPENDENT AUDITORS' REPORT

Lancaster County Board of Commissioners  
Lancaster County Correctional Facility Joint Public Agency  
Lincoln, Nebraska

We have audited the accompanying financial statements of the governmental activities and the general fund of the Lancaster County Correctional Facility Joint Public Agency (JPA) as of and for the year ended June 30, 2010, which collectively comprise the JPA's financial statements as listed in the table of contents. These financial statements are the responsibility of the management of the JPA. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the general fund of the JPA as of June 30, 2010, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 29, 2010, on our consideration of the JPA's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The JPA has not presented management's discussion and analysis that accounting principles generally accepted in the United States of America have determined are necessary to supplement, although not required to be part of the financial statements.

**INDEPENDENT AUDITORS' REPORT (Continued)**

The budgetary comparison information on pages 17 and 18 is not a required part of the financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

*BLAND + ASSOCIATES, P.C.*

Omaha, Nebraska  
December 29, 2010

**LANCASTER COUNTY CORRECTIONAL FACILITY JOINT PUBLIC AGENCY**  
**STATEMENT OF NET ASSETS**  
June 30, 2010

<b>ASSETS</b>	<b>Governmental Activities</b>
<b>CURRENT ASSETS</b>	
Cash and Cash Equivalents	\$ 25,938,773
Investments	27,235,387
Due From Other Governmental Agencies	21,897
Taxes Receivable	2,143,399
Total Current Assets	55,339,456
<b>CAPITAL ASSETS</b>	
Construction in Progress	15,711,831
Total Capital Assets	15,711,831
<b>OTHER ASSETS</b>	
Bond Issue Costs, net of accumulated amortization of \$45,145	584,231
	<b>\$ 71,635,518</b>
<b>LIABILITIES AND NET ASSETS</b>	
<b>CURRENT LIABILITIES</b>	
Accounts Payable	\$ 1,053,137
Accrued Interest Payable	206,078
Current Portion of Bonds Payable	2,390,000
Total Current Liabilities	3,649,215
<b>LONG-TERM LIABILITIES</b>	
Bonds Payable, Net of Current Portion and Bond Premium	60,602,964
Total Liabilities	64,252,179
<b>COMMITMENTS AND CONTINGENCIES</b>	
	-
<b>NET ASSETS</b>	
Invested In Capital Assets, Net of Related Debt	15,711,831
Unrestricted for Debt Service	(8,328,492)
Total Net Assets	7,383,339
	<b>\$ 71,635,518</b>

The accompanying notes to financial  
statements are an integral part of these statements

**LANCASTER COUNTY CORRECTIONAL FACILITY JOINT PUBLIC AGENCY**  
**STATEMENT OF ACTIVITIES**  
**Year Ended June 30, 2010**

**EXPENSES**

Other Contracted Services	\$	1,961
Debt Service - Interest		2,464,983
Amortization of Bond Issue Costs		31,867
Total Expenses		2,498,811

**GENERAL REVENUES**

Taxes		4,648,627
State Revenues		333,383
Interest Income		508,445
Other Intergovernmental		1,307
Total General Revenues		5,491,762

**CHANGE IN NET ASSETS** 2,992,951

**NET ASSETS - BEGINNING OF THE YEAR, AS PREVIOUSLY STATED** 4,067,494

**PRIOR PERIOD ADJUSTMENT** 322,894

**NET ASSETS - BEGINNING OF THE YEAR, AS RESTATED** 4,390,388

**NET ASSETS - END OF YEAR** \$ 7,383,339

The accompanying notes to financial  
statements are an integral part of these statements

**LANCASTER COUNTY CORRECTIONAL FACILITY JOINT PUBLIC AGENCY**  
**BALANCE SHEET - GOVERNMENTAL FUND**  
June 30, 2010

**ASSETS**

---

Cash and Cash Equivalents	\$ 25,938,773
Investments	27,133,439
Interest Receivable	101,948
Due From Other Governmental Agencies	21,897
Taxes Receivable	<u>2,143,399</u>
	<b><u>\$ 55,339,456</u></b>

**LIABILITIES AND FUND BALANCE**

---

**LIABILITIES**

Accounts Payable	\$ 1,053,137
Deferred Revenue	<u>171,386</u>
Total Liabilities	1,224,523

**COMMITMENTS AND CONTINGENCIES**

-

**FUND BALANCE**

Reserved for Debt Service	<u>54,114,933</u>
	<b><u>\$ 55,339,456</u></b>

The accompanying notes to financial  
statements are an integral part of these statements

**LANCASTER COUNTY CORRECTIONAL FACILITY JOINT PUBLIC AGENCY  
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUND  
TO THE STATEMENT OF NET ASSETS**

June 30, 2010

<b>Fund Balance - Governmental Fund</b>	<b>\$ 54,114,933</b>
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, not reported in the governmental fund	15,711,831
Bond issue costs are reported as expenditures when first incurred because they require the use of current financial resources and are not reported in the governmental fund	584,231
Property tax revenues, not collected within 60 days of the fiscal year end are not financial resources and, therefore, not reported in the governmental fund	171,386
Liabilities that are not due and payable in the current period and, therefore, are not reported in the governmental fund:	
Bonds payable, net of bond premium	(62,992,964)
Accrued interest payable	<u>(206,078)</u>
<b>Net Assets - Governmental Activities</b>	<b><u><u>\$ 7,383,339</u></u></b>

The accompanying notes to financial statements are an integral part of these statements

**LANCASTER COUNTY CORRECTIONAL FACILITY JOINT PUBLIC AGENCY**  
**STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGE IN FUND BALANCE - GOVERNMENTAL FUND**  
**Year Ended June 30, 2010**

<b>REVENUES</b>	
Taxes	\$ 4,477,241
State Revenues	333,383
Interest Income	508,445
Other Intergovernmental	1,307
Total Revenues	<u>5,320,376</u>
<b>EXPENDITURES</b>	
Capital Outlays	11,750,671
Contractual Expense	1,961
Debt Service	
Interest	2,526,830
Principal	2,430,000
Total Expenditures	<u>16,709,462</u>
<b>EXCESS OF EXPENDITURES OVER REVENUES</b>	(11,389,086)
<b>FUND BALANCE - BEGINNING OF THE YEAR</b>	<u>65,504,019</u>
<b>FUND BALANCE - END OF YEAR</b>	<u><u>\$ 54,114,933</u></u>

The accompanying notes to financial  
statements are an integral part of these statements

**LANCASTER COUNTY CORRECTIONAL FACILITY JOINT PUBLIC AGENCY  
RECONCILIATION OF THE STATEMENT OF REVENUES,  
EXPENDITURES, AND CHANGE IN FUND BALANCE - GOVERNMENTAL FUND  
TO THE STATEMENT OF ACTIVITIES  
Year Ended June 30, 2010**

**Net Change in Fund Balance - Governmental Fund** **\$ (11,389,086)**

Amounts reported for governmental activities in the statement of activities are different because:

Capital outlays are reported as expenditures in the fund financial statements. However, they are presented as assets in the statement of activities and depreciated over their estimated economic lives. 11,750,671

Governmental funds recognize property tax revenues as revenues when received within 60 days of the end of the fiscal year. However, in the statement of activities, property tax revenues are recognized based on the total taxes levied. This amount of property tax revenues due to the County but not collected within 60 days of the fiscal year. 171,386

Debt payments are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets 2,430,000

Governmental funds report the effect on issuance costs, premiums, and discounts when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. 24,476

Certain items reported in the statements of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental fund. These activities consist of:  
Accrued interest expense 5,504

**Change in Net Assets - Governmental Activities** **\$ 2,992,951**

The accompanying notes to financial statements are an integral part of these statements

**LANCASTER COUNTY CORRECTIONAL FACILITY JOINT PUBLIC AGENCY  
NOTES TO FINANCIAL STATEMENTS  
Year Ended June 30, 2010**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

This summary of significant accounting policies of the Lancaster County Correctional Facility Joint Public Agency (the JPA) is presented to assist in understanding the JPA's financial statements. The financial statements and notes are representations of the JPA's management who are responsible for their integrity and objectivity. These accounting policies conform to accounting principles generally accepted in the United States of America and have been consistently applied in the preparation of the financial statements.

**Reporting Entity**

The JPA was created pursuant to the Joint Public Agency Act and a Joint Public Agency Agreement dated September 9, 2008 between Lancaster County and the City of Lincoln. The JPA was created for the purpose of financing the construction, equipping and furnishing of new correction facilities on land owned by Lancaster County and leased to the JPA pursuant to a Site Lease dated February 5, 2009 between the JPA and Lancaster County. The JPA will own the correction facilities until the bonds are no longer outstanding, at which time the JPA will transfer ownership to Lancaster County. Lancaster County will operate and maintain the correction facilities pursuant to a Facilities Agreement dated February 5, 2009 between Lancaster County and the JPA.

The JPA is governed by a four-member board consisting of the Chair and Vice Chair of the Lancaster County Board of Commissioners, the Mayor of Lincoln, and the Chair of the Lincoln City Council. All actions may be taken by the affirmative vote of a majority of the Board, except that the issuance of bonds by the JPA must be approved by the Mayor, the Lincoln City Council and the Lancaster County Board of Commissioners.

Under the JPA Agreement, Lancaster County has irrevocably allocated and assigned to the JPA, for the period beginning September 15, 2008 and ending on the date upon which all of the bonds are no longer deemed to be outstanding, its authority to cause the levy of taxes within the taxing district of Lancaster County. This authority, beginning in the year 2008 for collection in 2009, is for the purpose of paying the costs of the correction facilities an amount equal to \$2,000,000 to be levied solely for the purpose of paying the principal and interest on the bonds.

Under the JPA Agreement, the City of Lincoln has irrevocably allocated and assigned to the JPA, for the period beginning September 15, 2008 and ending on the date upon which all of the bonds are no longer deemed to be outstanding, its authority to cause the levy of taxes within the taxing district of the City of Lincoln. This authority, not to exceed \$3,500,000 annually, beginning in the year 2008 for collection in 2009, is for the purpose of paying the costs of the correction facilities in an amount which, when added to the County Levy, will be sufficient to pay the principal and interest on the bonds.

**LANCASTER COUNTY CORRECTIONAL FACILITY JOINT PUBLIC AGENCY**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**Year Ended June 30, 2010**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Basis of Presentation**

The government-wide financial statements (the statement of net assets and the statement of activities) report information on all of the non-fiduciary activities of the JPA.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

**Measurement Focus/Basis of Accounting**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this period, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, expenditures, such as principal and interest on general long-term debt, and claims and judgments, are recognized under the modified accrual basis of accounting when the related fund liability is due.

**Cash and Cash Equivalents**

For financial statement purposes, all highly liquid investments with original maturities of three months or less, are considered cash equivalents.

**Investments**

In accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, investments are recorded at fair value. The JPA's investment policy allows investment in U.S. government obligations and

**LANCASTER COUNTY CORRECTIONAL FACILITY JOINT PUBLIC AGENCY**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**Year Ended June 30, 2010**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Investments (Continued)**

short-term interest bearing investments consisting of certificates of deposit and other income producing securities.

**Property Taxes**

Based on the valuation as of January 1, property taxes are levied by the County Board of Commissioners on or before October 15 of each year for all political subdivisions in Lancaster County. Real estate and personal property taxes are each due December 31 of the year in which the property is appraised. One-half of the taxes become delinquent April 1 and August 1 of the following year.

The JPA has two property tax levies. One levied on the assessed value of Lancaster County and the other levied on the assessed value of the City of Lincoln. The levy for the county portion was \$.0107 per \$100 of valuation and the levy for the city portion was \$.0194 for a combined levy of \$.0301.

**Capital Assets and Depreciation**

The JPA issued bonds to finance the construction of the new correctional facilities scheduled to be completed in the summer of 2012, at which time depreciation will commence. The buildings will be included as capital assets on the statement of net assets because the JPA will own the buildings until the bonds are no longer outstanding.

In the government-wide financial statements (statement of net assets and statement of activities), expenditures for equipment and vehicles are capitalized at cost and accounted for as capital assets. All capital assets are valued at historical cost or estimated historical cost. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

**Bond Issue Costs**

Bond premium and bond issuance costs are amortized using the straight-line method over the respective term of the bonds.

**Net Assets**

Net assets represent the difference between total assets and total liabilities. Net assets are restricted when constraints placed on them are either externally imposed or are imposed by law through constitutional provisions or enabling legislation.

**LANCASTER COUNTY CORRECTIONAL FACILITY JOINT PUBLIC AGENCY**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**Year Ended June 30, 2010**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Net Assets (Continued)**

Net assets invested in capital assets, net of related debt, consist of capital assets less accumulated depreciation and the net of outstanding balances of any debts used to finance those assets, such as capital leases and notes. When both restricted and unrestricted resources are available for use, it is generally the JPA's policy to use restricted resources first, then unrestricted resources as they are needed.

**Income Taxes**

The JPA qualifies as a tax-exempt organization under Section 115 of the Internal Revenue Code. Accordingly, no provision for income taxes is required.

**Budgets and Budgetary Accounting**

The JPA follows the procedures described below in establishing the budgetary data reflected in the JPA's financial statements in accordance with the statutory requirements of the Nebraska Budget Act.

On or before August 1, The JPA Board prepares and transmits a budget for the JPA to the Lancaster County Board of Commissioners showing the projected requirements, operating reserve, cash on hand at the close of the preceding fiscal year, projected revenue collected from sources other than property tax and amount to be raised by property taxation. The budget is prepared on the cash receipts and disbursements basis of accounting. Encumbrances are also reflected as expenditures for budgetary purposes. At least one public hearing must be held by the JPA Board.

On or before September 20 each year, the budget is adopted by the JPA Board and filed with the Lancaster County Clerk and the State Auditor's Office.

**Encumbrances**

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditures of funds are recorded in order to reserve that portion of the applicable appropriation, is employed in the governmental fund types.

At the end of each budget period, unencumbered, unexpended appropriations lapse. Appropriations in the governmental fund types are charges for encumbrances when commitments are made. Fund balances are reserved for outstanding encumbrances, which serve as authorization for expenditures in the subsequent year. There were no encumbrances as of June 30, 2010.

**LANCASTER COUNTY CORRECTIONAL FACILITY JOINT PUBLIC AGENCY**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**Year Ended June 30, 2010**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Use of Estimates**

Management uses estimates and assumptions in preparing these financial statements in accordance with accounting principles generally accepted in the United States of America. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates employed.

**Subsequent Events**

Management has evaluated subsequent events through December 29, 2010, which is the date the financial statements were available to be issued.

**NOTE B – CONCENTRATION OF CREDIT RISK**

**Deposits**

At June 30, 2010, the reported amount of the JPA's cash and investments held by the County Treasurer amounted to \$53,072,212. Custodial credit risk is the risk that in the event of a bank failure, a government's deposits may not be returned to it. The JPA's deposit policy for custodial credit risk requires compliance with the provisions of state law.

The JPA's cash deposits and investments in excess of the \$250,000 FDIC limits are covered by collateral held in a Federal Reserve pledge account or by an agent for the JPA and thus no custodial credit risk exists.

Cash and cash equivalents held in trust consisted of the following as of June 30, 2010:

Cash and Cash Equivalents	Cost	Fair Value
Series 2009 – Jail Construction	\$24,207,745	\$24,207,745
Series 2009 – County Corrections	699,371	699,371
Series 2009 – City Corrections	1,031,657	1,031,657
Total JPA Cash and Cash Equivalents held by the JPA:	<u>\$ 25,938,773</u>	<u>\$ 25,938,773</u>

**LANCASTER COUNTY CORRECTIONAL FACILITY JOINT PUBLIC AGENCY  
NOTES TO FINANCIAL STATEMENTS (Continued)  
Year Ended June 30, 2010**

**NOTE B – CONCENTRATION OF CREDIT RISK (Continued)**

**Investments**

Nebraska State Statute Section 77-2315 authorizes the County Treasurer, with the consent of the County Board of Commissioners, to invest in U.S. government bonds, bonds and debentures with AAA credit ratings issued either singularly or collectively by any of the twelve federal land banks, the twelve intermediate credit banks, the thirteen banks for cooperatives under the supervision of the Farm Credit Administration, United States Treasury notes, bills or certificates of indebtedness maturing within two years from the date of purchase, or in certificates of deposit.

The JPA held the following types of investments at June 30, 2010:

Investment	Cost	Fair Value
Money Market Mutual Fund	\$ 8,133,439	\$ 8,133,439
Certificates of Deposit	2,000,000	2,024,948
Federal Home Loan Notes	17,000,000	17,077,000
Total Investments	<u>\$ 27,133,439</u>	<u>\$ 27,235,387</u>

**NOTE C – DUE FROM OTHER GOVERNMENTAL AGENCIES**

Due from other governmental agencies consisted of amounts due from the State of Nebraska of \$21,897 as of June 30, 2010.

**NOTE D – CAPITAL ASSETS**

The changes in capital assets designated for the operation of the JPA for the year ended June 30, 2010, are as follows:

	Restated Balance June 30, 2009	Additions	Disposals	Balance June 30, 2010
Construction in Progress	<u>\$3,961,161</u>	<u>\$11,750,670</u>	<u>\$ -</u>	<u>\$15,711,831</u>

**Construction Commitments**

Pursuant to the Joint Public Agency Act and the JPA Agreement, the County and the City have entered into a number of agreements relating to the design, construction and operation of the Correctional Facility. The remaining cost of such commitments is estimated not to exceed \$49,790,952.

**LANCASTER COUNTY CORRECTIONAL FACILITY JOINT PUBLIC AGENCY**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**Year Ended June 30, 2010**

**NOTE E – BONDS PAYABLE**

Transactions for the bonds payable for the year ended June 30, 2010, are summarized as follows:

	Balance June 30, 2009	Proceeds	Repayments	Balance June 30, 2010	Amount Due Within One Year
Series 2009, due in 2028	\$ 64,390,000	\$ -	\$ 2,430,000	\$61,960,000	\$2,390,000
Plus deferred amounts: For issuance premiums	1,089,307	-	56,343	1,032,964	-
Total Bonds Payable	<u>\$ 65,479,307</u>	<u>-</u>	<u>\$ 2,486,343</u>	<u>\$62,992,964</u>	<u>\$2,390,000</u>

Bonds Payable as of June 30, 2010 is summarized as follows:

\$64,390,000 Limited Tax General Obligation Bonds, Series 2009, issued February 12, 2009, interest amounts payable in scheduled semiannual installments due on June 1, and December 1, with principal amounts payable annually on December 1, ranging between \$2,390,000 to \$4,670,000, commencing June 1, 2009, with interest ranging from 1.00% to 5.00%, final payment due December 1, 2028.

Principal and interest requirements to maturity on bonds outstanding prior to the effects of the unamortized premium at June 30, 2010 are as follows:

Year Ending June 30,	Principal	Interest	Total
2011	\$ 2,390,000	\$ 2,490,780	\$ 4,880,780
2012	2,440,000	2,430,280	4,870,280
2013	2,510,000	2,365,443	4,875,443
2014	2,570,000	2,298,655	4,868,655
2015	2,645,000	2,220,430	4,865,430
2016-2020	14,495,000	9,791,663	24,286,663
2021-2025	17,515,000	6,596,690	24,111,690
2026-2029	17,395,000	1,792,375	19,187,375
	61,960,000	<u>\$ 29,986,316</u>	<u>\$ 91,946,316</u>
Less current portion	<u>(2,390,000)</u>		
	<u>\$ 59,570,000</u>		

**NOTE F – RISK MANAGEMENT**

The JPA is included in the insurance coverage of Lancaster County. The JPA is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets, errors or omissions, and natural disasters. These risks of loss are covered by various commercial insurance policies (with various deductibles), with the exception of general liability. The self-insured retention is \$250,000 per occurrence for general liability coverage.

**LANCASTER COUNTY CORRECTIONAL FACILITY JOINT PUBLIC AGENCY  
NOTES TO FINANCIAL STATEMENTS (Continued)  
Year Ended June 30, 2010**

**NOTE F – RISK MANAGEMENT (Continued)**

The self-insurance programs are administered by the County's Risk Manager. Commercial insurance covers the excess of the self-insured amount to the maximum of \$2,000,000 for employers' liability and \$5,000,000 for general liability.

The County utilizes the services of an actuary to prepare an analysis of the self-insured general liability risks. The analysis is used to assist the County with its financial planning, budgeting, and management of the self-insurance programs. Settled claims have not exceeded commercial coverage for the last three years.

JPA has not developed an estimated liability for pending and incurred but not reported claims at June 30, 2010, due to claims being paid by the Other Self-Insurance funds at the County level. Accounting principles generally accepted in the United States of America require that an estimated liability be developed for pending and incurred but not reported claims; however, there were no such claims pending at year end.

**NOTE G – PRIOR PERIOD ADJUSTMENT**

Construction in Progress and Deferred Tax Revenue at July 1, 2009 have been restated to correct reporting classifications in the previously issued financial statements of JPA. The cumulative effects for the year ended June 30, 2009 resulted in the following: an understatement of Construction in Progress, an overstatement of expenses totaling \$150,000, an overstatement of Deferred Revenue, and an understatement of revenue totaling \$172,894.

	Beginning balance (As previously reported)	Prior period adjustment	Beginning balance (as restated)
Construction in Progress	<u>\$ 3,811,161</u>	<u>\$ 150,000</u>	<u>\$ 3,961,161</u>
Deferred Revenue	<u>\$ (172,894)</u>	<u>\$ 172,894</u>	<u>\$ -</u>

**REQUIRED SUPPLEMENTARY INFORMATION**

**LANCASTER COUNTY CORRECTIONAL FACILITY JOINT PUBLIC AGENCY**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN**  
**FUND BALANCE - BUDGET TO ACTUAL (Budgetary Basis)**  
**Year Ended June 30, 2010**

	Original Budget	Final Budget	Actual Amounts	Favorable (Unfavorable)
<b>REVENUES</b>				
Taxes	\$ 4,950,000	\$ 4,950,000	\$ 4,654,114	\$ 295,886
State Revenues	11,000	11,000	357,592	(346,592)
Interest Income	176,000	176,000	729,735	(553,735)
Other Intergovernmental	1,325	1,325	1,307	18
Total Revenues	<u>5,138,325</u>	<u>5,138,325</u>	<u>5,742,748</u>	<u>(604,423)</u>
<b>EXPENDITURES</b>				
Operating Supplies	1,000,000	1,000,000	-	1,000,000
Other Contracted Services	-	-	2,094	(2,094)
Equipment	2,500,000	2,500,000	-	2,500,000
Buildings	61,141,293	61,141,293	14,213,873	46,927,420
Debt Service				
Interest	2,526,830	2,526,830	2,526,830	-
Principal	2,430,000	2,430,000	2,430,000	-
Total Expenditures	<u>69,598,123</u>	<u>69,598,123</u>	<u>19,172,797</u>	<u>50,425,326</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES - BUDGETARY BASIS</b>	<b><u>\$ (64,459,798)</u></b>	<b><u>\$ (64,459,798)</u></b>	<b>(13,430,049)</b>	<b><u>\$ (51,029,749)</u></b>
<b>ADJUSTMENTS REQUIRED UNDER ACCOUNTING PRINCIPLES GENERALLY ACCEPTED IN THE UNITED STATES OF AMERICA</b>				
To Adjust Receipts for Accruals (Net)			(422,372)	
To Adjust Expenditures for Accruals (Net)			<u>2,463,335</u>	
<b>DEFICIENCY OF REVENUES (MODIFIED ACCRUAL BASIS) OVER EXPENDITURES</b>			<b><u>\$ (11,389,086)</u></b>	

The accompanying note to required supplemental information  
is an integral part of this statement

**LANCASTER COUNTY CORRECTIONAL FACILITY JOINT PUBLIC AGENCY  
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION  
YEAR ENDED June 30, 2010**

**NOTE A – STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND  
BALANCE – BUDGET TO ACTUAL (Budgetary Basis)**

**Basis of Accounting**

The accompanying statement of revenues, expenditures, and change in fund balance – budget to actual is presented on the cash basis of accounting which is the JPA's budgetary basis of accounting.

**Budget Law**

The JPA is required by state law to hold public hearings and adopt annual budgets for all funds on the budgetary basis of accounting. Total expenditures for each fund may not exceed the total budgeted expenditures. Any revisions to the adopted budget of total expenditures to any fund require a public hearing.

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF  
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT  
AUDITING STANDARDS***

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Lancaster County Board of Commissioners  
Lancaster County Correctional Facility Joint Public Agency  
Lincoln, Nebraska

We have audited the financial statements of the governmental activities and the general fund of Lancaster County Correctional Facility Joint Public Agency (JPA) as of year ended June 30, 2010, which collectively comprise the JPA's financial statements and have issued our report thereon dated December 29, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the JPA's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the JPA's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the JPA's internal control over financial reporting.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the JPA's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS (Continued)**

We noted certain matters involving the internal control over financial reporting, which we have reported to the management of JPA in a separate letter dated December 29, 2010.

This report is intended solely for the information and use of the Lancaster County, Nebraska, Lancaster County Correctional Facility Joint Public Agency and the State of Nebraska and this report is not intended to be and should not be used by anyone other than these specified parties.

*BLAND + ASSOCIATES, P.C.*

Omaha, Nebraska  
December 29, 2010

Lancaster County Correctional Facility Joint Public Agency  
Board of Commissioners  
Lancaster County, Nebraska

In planning and performing our audit of the financial statements of the Lancaster County Correctional Facility Joint Public Agency (JPA), as of and for the year ended June 30, 2010, in accordance with auditing standards generally accepted in the United States of America, we considered JPA's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of JPA's internal control. Accordingly, we do not express an opinion on the effectiveness of JPA's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and, therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as discussed below, we identified certain matters involving the internal control and other operational matters that are presented for your consideration. This letter does not affect our report dated December 29, 2010 on the financial statements of the JPA. We will review the status of these comments during our next audit engagement. Our comments and recommendations, all of which have been discussed with appropriate members of management, are intended to improve the internal control or result in other operating efficiencies. We will be pleased to discuss these comments in further detail at your convenience, perform any additional study of these matters, or assist you in implementing the recommendations. Our comments are summarized as follows:

### **Prior Period Adjustments**

During the audit, a prior period adjustment had to be made to construction in progress to correct a reporting classification made in the prior year. We recommend going forward JPA classify construction in progress and expenses more accurately.

A prior period adjustment was also made for deferred revenue to include these amounts in the government-fund statements instead of the government-wide statements as had been in the past. As of the end of the fiscal year, a governmental entity must estimate the amount of property taxes that are expected to be collected within no more than 60 days of the end of the period. The amount not collected after 60 days would be recorded as deferred revenue in the government-fund financial statements.

### **Net Assets**

During the audit of JPA's financial statements for the year ended June 30, 2010, we noted a number of transactions and account balances that cannot be posted in the JPA's general ledger thus causing a significant number of adjustments to net assets in 2010 in the financial statements prepared by JPA.

We noted that Mr. Dennis Meyer acknowledged this responsibility related to the 2010 audit and assisted tremendously in indentifying those transactions and account balances previously excluded from JPA's financial statements.

### Centralized Recordkeeping

At present, the JPA has ledgers maintained external to the main accounting system. These ledgers include various transaction accounts such as accounts payable and accounts receivable. These accounts are added to the JPA's main system only at year end. These accounts were added by the auditors in the past in order to properly record all transactions for the financial statements.

We feel that it would strengthen the accounting system of the JPA if many of these subsidiary ledgers were electronically linked to the current accounting system. For those that would be inefficient to link, the JPA should make journal entry adjustments (utilizing recurring journal entries) to include these accounts on a monthly basis. This would keep the records of both entities up to date and allow for adequate monitoring of important balances throughout the year.

These conditions were considered in determining the nature, timing, and extent of the audit tests applied in our audit of the June 30, 2010 basic financial statements. This letter does not affect our report on these financial statements dated December 29, 2010. We have not considered the internal control system since the date of our report.

We sincerely thank you for the hospitality and assistance your staff and personnel extended to us during the course of this audit particularly, Mr. Dennis Meyer, Budget and Fiscal Director and Ms. Liz Thanel. It is a pleasure working with the JPA.

If you have any questions pertaining to the comments and recommendations in this letter, we would be pleased to meet with you to discuss them at your convenience and to assist you in implementing the controls necessary to correct these conditions.

This report is intended solely for the information and use of management, the County, JPA, and grantor agencies and is not intended to be and should not be used by anyone other than these specified parties.

*Bland + Associates, P.C.*

Omaha, Nebraska  
December 29, 2010